

GENERAL ACCOUNT AND CLOSED SESSION MINUTES
Monday, November 4, 2002

At its regularly meeting of Monday, November 4, 2002, at 10:30 a.m., upon a motion by Commissioner Huffman, and unanimously carried, the Board agreed to go into Closed Session, in accordance with North Carolina General Statute 143-318.11 (a) (4) To discuss matters relating to the location or expansion of industries or other businesses in the area served by the public body, including agreement on a tentative list of economic development incentives that may be offered by the public body in negotiations.

Present were Chairman W. Steve Ikerd, Vice-Chair Marie H. Huffman, and Commissioners Katherine W. Barnes, Barbara G. Beatty, and Dan A. Hunsucker. Also present were County Manager/Deputy Clerk J. Thomas Lundy, Deputy County Manager Steven D. Wyatt, Assistant County Manager Mick W. Berry, County Attorney Robert Oren Eades, Staff Attorney Debra Bechtel, and County Clerk Thelda B. Rhoney.

Economic Development Corporation President Scott Millar was invited to attend the closed session.

Harvest States Food Project, Danner Industrial Park, Newton, NC

Mr. Millar made the following comments:

Genex-Harvest States Foods announced in August the construction of a 86,400 square feet facility on a site in Newton, creating 70 jobs. Their investment was initially \$7-8 million.

Due to the need for expanded cubic feet and additional equipment as well as design needs for "food grade quality," their project has grown to \$15.7 million and 115,000 square feet. They have corporate approval for expenditures of \$15 million and are trying to find ways to solve their production needs by cutting some costs. This is a brand new facility to manufacture frozen and prepared Mexican foods.

A request was received from Harvest States Foods for Economic Development Support from the County for the expanded project.

County protocol requests City participation in incentives on a 2:1 basis (city:county). The City of Newton has provided 14 acres of property valued at \$250,000 and other consideration as their incentive for the project.

The County also prefers future funded incentives (a grant over a period of years following the receipt of yearly property tax payments) over incentives based on a lump sum payment. This proposal is a performance driven incentive that guarantees the County will have a positive cash flow during the term of the incentive.

The increase in new tax revenues from the initially announced project generates an additional \$39,600/year for the County for a total of \$74,250/year.

		Prop. Taxes Pd.	Max. Grant
Initial Investment	\$ 7.0mm	\$ 34,650	-0-
Add'l Investment	\$+8.0mm	<u>\$ 39,600</u>	<u>\$ 20,000</u>
	Yearly Total	\$ 74,250	\$ 20,000
	5 Year Total	\$371,250	\$100,000

The County could grant up to a maximum of \$20,000 per year for five years to Harvest States Foods to be used for site improvements, acquisition of machinery & equipment, and/or worker training in accordance with NC General Statute 158-7.1(a). In the event new taxable real and personal property fails to exceed \$15,000,000, the grant would be reduced to an amount using the following formula:

the value of total taxable property on site in excess of \$7,000,000 multiplied by current County tax rate x 50%.

The Board supported Mr. Millar's request for Harvest States Food Project and recommended that he bring this issue before the board at its regularly scheduled November 18, 2002 meeting.

At 10:50 a.m., the Board returned to regular session, and there being no further business adjourned.

W. Steve Ikerd, Chairman

Thelda B. Rhoney, County Clerk